

Amendments to the Specification

Please replace paragraph 3 of page 16 of the application with the following amended paragraph:

Additionally, the issuer of the securities does not have to pay as much of a premium to an investment bank or other broker for selling the securities because [[if]] of the inherent efficiencies of the electronic system. This can advantageously result in substantial savings to the issuer in making a security offering

Please replace paragraph 2 of page 22 of the application with the following amended paragraph:

Preferably, a pricing and allocation system in accordance with the present invention determines the yield which the bonds being offered will generate based on bids received by potential investors. [[An]] A potential investor's auction bid preferably indicates two things: the number of bonds the potential investor wishes to purchase and the yield the potential investor wishes to receive for the bonds. The number of bonds is preferably expressed as the total value of the bonds the potential investor wishes to buy, for example, an investor might indicate a desire to purchase \$200, 000 worth of bonds. The yield the potential investor would like to receive on the purchased bonds is preferably indicated in terms of spread between the yield of the Benchmark Treasury at the time of final pricing and the desired yield of bonds being bid for in one basis point increments. For example, if the Benchmark Treasury has a yield of 7%, the auction participant would bid 1.5% to indicate a willingness to accept an 8.5% yield on the purchased bonds.

Please replace paragraph 4 of page 22 of the application with the following amended paragraph:

As mentioned above, in a preferred embodiment of the present invention, there are two general categories of bids which an auction participant can place: competitive bids and non-competitive bids. Competitive bids preferably indicate both a quantity and a spread which can

be above the Minimum Spread set by the issuer prior to the auction. Non-competitive bids, on the other hand, simply express a total amount of bonds which the bidder desires at [[the]] whatever the clearing price will be.

Please replace paragraph 2 of page 5 of the application with the following amended paragraph:

Other known internet related systems for buying and selling securities and commodities include a system set up in 1992 by Intervest, aimed at facilitating the secondary market sales of bonds between investors and broker-dealers. More recently, Brokertec, a consortium set up by Goldman Sachs and six other large institutions in the summer of 1999 is said to be trying to create an electronic inter-dealer broker for cash and futures. Tradeweb, an electronic brokerage system for US Treasuries, was set up by four investment banks (CSFB (Credit Suisse First Boston), Goldman Sachs, Lehman Brothers and Solomon Brothers) in 1997 and has apparently been successful in trading these securities. These Government bonds however do not have the problems mentioned above in that they are heavily traded, their price is well known in advance and are deemed the ultimate safe investment. Still another on-line system for handling bond trading, primarily in the secondary market, is BondDesk.com owned by BondDesk.Com LLP, an internet-based provider of retail fixed income trading software, and owned by BondExchange LLC, Goldman Sachs Group Inc., Paine Webber Inc., and Spear, Leeds & Kellogg.